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BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED **COMMISSIONERS**

MARC SPITZER, Chairman WILLIAM A. MUNDELL JEFF HATCH-MILLER

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MIKE GLEASON

Z CORPORATION COMMISSIO

IN THE MATTER OF ILEC UNBUNDLING OF UTILITIES DOCKET NO. T-00000A-03-0369

OBLIGATIONS AS A RESULT OF THE FEDERAL TRIENNIAL REVIEW ORDER.

PROCEDURAL ORDER

BY THE COMMISSION:

On June 4, 2003, the Utilities Division Staff ("Staff") of the Arizona Corporation Commission ("Commission") filed with Docket Control a memo requesting that a generic docket in the above-captioned matter be opened.

On June 10, 2003, Staff filed a Request for a Procedural Order. Staff requested that comments be filed within 20 days following the release of the Federal Communications Commission's ("FCC") Report and Order and Further Notice of Proposed Rulemaking ("Triennial Review Order") in CC Docket No. 01-338.

On June 24, 2003, a Procedural Order was issued requesting all parties to file comments to certain questions within 20 days from the release of the FCC's Triennal Review Order.

In response to the Procedural Order, comments were filed by AT&T Communications of the Mountain States, Inc. ("AT&T"), Qwest Corporation ("Qwest"), Z-Tel Communications, Inc. ("Z-Tel"), WorldCom, Inc. ("MCI"), Eschelon Telecom, Inc. ("Eschelon"), the Residential Utility Consumers Office ("RUCO"), Cox Arizona Telecom, LLC ("COX), the Arizona Local Exchange Carriers Association ("ALECA"), Mountain Telecommunications, Inc. ("MTI"), Allegiance Telecom, Inc. ("Allegiance"), and Sprint Communications Company, LP ("Sprint").

In addition, intervention requests have been submitted by Qwest, AT&T, MCI, MTI, ALECA, Time Warner Telecom of Arizona, Inc. ("Time Warner"), and Electric Lightwave, LLC ("Electric Lightwave").

Motions for Admission Pro Hac Vice were filed by Thomas Dixon on behalf of MCI, and by Richard Wolters on behalf of AT&T.

On September 26, 2003, Staff filed a Request for a Procedural Order. Staff requests that this docket be divided into two separate phases. Under Staff's proposal, the 90-day Phase I proceeding would address the rebuttable national presumptive finding of no impairment for local circuit switching on high capacity loops, such as DS-1s, for enterprise market customers (i.e., medium and large business). The 9-month Phase II proceeding would address the national presumptive finding of impairment for local switching for mass market customers (i.e., residential and small business). The second phase would also examine loops for enterprise market customers and dedicated transport.

Staff states that the immediate focus should be on the 90-day phase of the proceeding in order to consider the issue of whether ILECs need to continue to provide unbundled switching to CLECs which use the switching unbundled network element ("UNE") to provide service to enterprise market customers. Staff points out that the FCC has established a national presumption that ILECs do not need to provide unbundled switching to CLECs serving enterprise market customers using DS-1 and higher speed loops. However, state commissions can petition the FCC for a waiver of the presumption if the state commission finds that circumstances in specific markets warrant continued provision of such unbundled switching.

In order to address this issue, Staff proposes that the Commission initiate the 90-day phase of the proceeding by requesting facilities-based CLECs to file comments on the following issues:

1. Does your company plan to file evidence in support of a finding of impairment for local circuit switching on high-capacity loops, such as DS-1s, for enterprise market customers?

If your response to Question 1 is yes, please also answer the following questions:

- Please provide all evidence upon which you intend to rely for a finding of impairment for local circuit switching on highcapacity loops.
- 3. Please address each of the specific factors outlined by the FCC at paragraphs 456-458 of the TRO.
- 4. What is the total number of customers the CLEC currently serves

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in Arizona and what is the total number of customers served by the CLEC in Arizona with DS1 and higher capacity loops?

Staff states that, in the event no party files evidence of impairment, Staff proposes to file a Staff Report with a summary of its findings and a request that the 90-day phase be closed. However, if evidence is submitted rebutting the no impairment presumption, Staff will review the information and make a recommendation as to whether it believes an expedited hearing is necessary to allow parties to present their positions to the Hearing Division for resolution. According to Staff, it intends to request a Procedural Order in the near future to address issues in the 9-month phase of the proceeding.

IT IS THEREFORE ORDERED that interested parties are directed to file comments, by no later than October 17, 2003, regarding the issues and questions set forth above.

IT IS FURTHER ORDERED that the requests for intervention filed by Qwest, AT&T, MCI, MTI, ALECA, Time Warner, and Electric Lightwave are hereby granted. Intervention shall also be granted to Z-Tel, Eschelon, RUCO, COX, Allegiance, and Sprint based on their interests in this proceeding as described in their filed comments.

IT IS FURTHER ORDERED that the requests for admission pro hac vice by Thomas Dixon and Richard Wolters are granted, subject to compliance with the Arizona Supreme Court's rules.

DATED this / st day of October, 2003.

nodes

ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered

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